From: Millett, John

To: <u>Air Division Directors Call List; OAR Communications Staff All</u>

Subject: Fw: ICYMI - NY Times profile on Administrator McCarthy

Date: Monday, March 24, 2014 7:13:57 AM

FYI --

From: Reynolds, Thomas

Sent: Monday, March 24, 2014 9:06:53 AM

To: Reynolds, Thomas

Subject: ICYMI - NY Times profile on Administrator McCarthy

In case you missed it over the weekend, the NY Times wrote a nice profile piece on EPA Administrator McCarthy and her outreach efforts relating to the EPA's power plant rules and the President's larger climate change agenda. Enjoy.

As Listener and Saleswoman, E.P.A. Chief Takes to the Road for Climate Rules



Gina McCarthy in Beulah, N.D., with, from left, Senators John Hoeven and Heidi Heitkamp and Representative Kevin Cramer.

Kevin Cederstrom / Associated Press

By CORAL DAVENPORT

March 21, 2014

BEULAH, N.D. — Gina McCarthy was deep in enemy territory.

Here on this wind-whipped prairie pocked with strip mines, Ms. McCarthy, the administrator of the Environmental Protection Agency, faced 20 coal miners, union workers and local politicians deeply suspicious of the new climate change regulations she had come to pitch. The Obama administration hopes the regulations will help save the planet, but the North Dakotans say the rules will put coal and their livelihoods at risk.

"Folks in this room think that E.P.A. says 'hell no' to coal," said Senator Heidi Heitkamp, the North Dakota Democrat who had invited Ms. McCarthy to the state.

Michael Ness, the local school superintendent, warned of consequences. "About 60 percent of kids in our school have parents who work in coal," he said. Julie Fedorchak, the head of the state's Public Service Commission, weighed in too. "There's a huge chilling effect just with the discussion of these rules," she said.



Ms. McCarthy, the administrator of the Environmental Protection Agency, is under intense pressure.

Gabriella Demczuk / The New York Times

Ms. McCarthy took off her glasses, looking weary, but responded gamely in a thick Boston accent. "You guys are great!" she said. "You're hitting all the issues, and I appreciate your frankness." The group laughed — and then the complaints kept coming.

Ms. McCarthy is the chief architect and emissary of President Obama's plan to fight climate change. At its heart are a pair of divisive E.P.A. regulations that are to set new limits on carbon pollution from coal-fired power plants — the chief source of greenhouse gas emissions in the United States — and potentially establish Mr. Obama as the first American president to take aggressive action to stop global warming.

But the rules could also be so stringent that they shut down large numbers of plants and imperil mining jobs. Republicans and the coal industry say the actions amount to a war on coal, and they are mounting a legal and legislative battle to fight them.

It is the job of Ms. McCarthy, a veteran state environmental regulator with a salty sense of humor and a history of negotiating with polluting industries, to tamp down that wildfire, even while she oversees the writing of the regulations. So she has been on regular cross-country road trips that are both listening tour and sales pitch.

"What she's doing now is one part reassurance, one part data gathering, one part building a community," said John D. Podesta, a counselor to Mr. Obama, who meets weekly with Ms. McCarthy to discuss the progress of the climate plan.

The trips are a new tactic for the E.P.A. and Ms. McCarthy, who acknowledges that she is campaigning for a cutting-edge set of rules that are a tough sell in large parts of the country. "It's not like anything we've seen before," she said over a beer at a wood-paneled steakhouse in downtown Bismarck. "We will be under intense political scrutiny."

She is also under intense pressure from the White House, where Mr. Obama has made the climate change rules a top priority — and where senior officials remind Ms. McCarthy that they are eager to avoid a repeat of the disastrous rollout of Mr. Obama's health care law. Ms. McCarthy said she thought "all the time" about the health care rollout.

The E.P.A. is rolling out the two rules on a brisk schedule, with them timed to be completed by the end of Mr. Obama's presidency. In September, Ms. McCarthy <u>announced</u> the draft of the first rule, which would limit carbon pollution from future power plants. The agency is now taking public comments on that proposal, even as experts say it has already frozen construction of new coal-fired power plants.

In June, Ms. McCarthy will unveil the draft of the second rule, which is to be an even more aggressive regulation requiring cuts in emissions at existing coal-fired power plants. Depending on how it is written, the rule could close hundreds of the most polluting plants.

Mr. Obama has directed Ms. McCarthy to issue a final version of both rules by June 2015, and to give states until mid-2016 to submit compliance plans.

As with the health care law, the success or failure of the regulations will largely depend on how states respond to them. While the E.P.A. will issue a broad federal standard aimed at cutting carbon pollution, each state will be directed to come up with its own plan to carry out the rules. The goal is to give each state the flexibility to devise its own plan — which also creates the risk that coal-heavy states, and those governed by Republicans who object to the climate rules, could simply refuse to put the rules in place. States might also sue the E.P.A. or find other ways to block or delay the rules.

Already, Nebraska has filed suit against the rules, and the E.P.A. anticipates that more lawsuits are on the way.

"No matter what I do, I will get sued," Ms. McCarthy likes to say.

But she hopes that her visits will at least smooth the way in some states.

So far, she and other E.P.A. officials have held listening sessions in 11 cities aimed at gathering information to help shape the regulations. In Iowa, she went with Gov. Terry E. Branstad, a Republican, to the state fair, where they talked about how the rules might affect farmers. In Houston, the heart of the fossil fuel industry, she spoke at an energy conference

and met with top officials from many of the nation's biggest oil, gas and coal companies.

"Personality matters a lot," she said. "Why do you think I'm everywhere? People have to have a relationship with me."

But she has been sharply criticized for avoiding states where coal is central to the economy. Ms. McCarthy went to North Dakota only at the invitation of Ms. Heitkamp, and she has no plans to travel to the nation's top three coal-producing states: Wyoming, Kentucky and West Virginia.

"After watching her so-called listening tour, I think she only listened to what she wanted to hear," said Senator John Barrasso, Republican of Wyoming. "She seems to intentionally steer clear of areas where coal is produced."

Part of the strategy behind Ms. McCarthy's itinerary is an effort to warm up voters before anticipated political attacks on the climate rules. In this fall's midterm elections, Republican campaigns plan to sharply criticize the rules, and the lawmakers who support them, in ads against what they call the president's war on coal.

Coordinating the E.P.A.'s defense is Thomas Reynolds, a communications operative who was the director of local and regional media for Mr. Obama's 2012 re-election campaign, and who has his sights set on coverage of Ms. McCarthy's visits in newspapers in politically important states like Ohio, Iowa and Colorado. Ms. McCarthy's visit to North Dakota was on the front page of The Bismarck Tribune.

So is the campaign working? After meeting with Ms. McCarthy in Beulah, Carroll Dewing, the president of Coteau Properties, a North Dakota mine, who wore a gold lapel pin reading "coal," pronounced himself impressed.

"It's not what I expected," he said. "The president has said he will bankrupt the coal industry, and she represents the president, but she said she doesn't want to kill coal. If what she said is what we actually see in the regulations, it might be something we can work with."

Gov. Jack Dalrymple of North Dakota, a Republican, was also impressed after he met with her on her trip. "Her accent is one of the most authentic I've ever heard," he said. "And I personally always appreciate anyone who's easy to talk to."

But will her efforts keep North Dakota from suing the E.P.A. over its climate rules?

Mr. Dalrymple noted that his state already had about 20 active lawsuits against the E.P.A. "We have to keep in mind, in this world of environment and energy issues, unfortunately, quite often, attorneys get involved," he said.

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